FILE COPY

IN THE

# Supreme Court of the United States

October Term, 1958.

No. 867

EVEREST & JENNINGS, INC., a corporation,

*Petitioner,*

*vs.*

E. & J. MANUFACTURING COMPANY, a corporation,

*Respondent.*

## Petition for Writ of Certiorari to the United States Court of Appeals for the Ninth Judicial Circuit.


FRED H. MILLER,
108 West Sixth Street,
Los Angeles 14, California,
*Attorney for Petitioner, Everest & Jennings, Inc.*

*Of Counsel:*
ALLAN D. MOCKABEE.



Parker & Son, Inc., Law Printers, Los Angeles. Phone MA. 6-9171.

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## Petition for Writ of Certiorari to the United States Court of Appeals for the Ninth Judicial Circuit.

*To the Honorable the Chief Justice and Associate Justices of the Supreme Court of the United States:*

Your petitioner, Everest & Jennings, Inc., defendant-appellant below, in a trademark infringement action, respectfully prays that a writ of certiorari issue to the United States Court of Appeals for the Ninth Circuit to review a judgment of that court entered December 24, 1958.

### Opinions Delivered in the Courts Below.

In the District Court the opinion was rendered orally by the Trial Judge at the conclusion of the trial. It appears at pages 477 to 480 of the printed record but does not appear in the official reports. It is reproduced in the appendix hereto.

The opinion of the Court of Appeals for the Ninth Circuit appears at pages 782 to 793 of the record and at 263 F. 2d 254, 120 U. S. P. Q. 247. It is also reproduced in the appendix hereto.

## Jurisdiction.

The judgment of the District Court was entered January 10, 1958. The judgment of the Court of Appeals was entered December 24, 1958.

A timely petition for rehearing was filed before the Court of Appeals and denied February 2, 1959. The statutory provisions believed to confer jurisdiction on this court to review the judgment by writ of certiorari are 28 U. S. C. 1254 and 15 U. S. C. 1122.

## Statutes Involved.

The statutes involved are Section 1114(1) of Title 15 U. S. C. reading as follows:

> "Any person who shall, in commerce, (a) use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of any registered mark in connection with the sale, offering for sale, or advertising of any goods or services on or in conection with which such use is likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods or services; or (b) reproduce, counterfeit, copy, or colorably imitate any such mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles, or advertisements intended to be used upon or in connection with the sale in commerce of such goods or services, shall

be liable to a civil action by the registrant for any or all of the remedies hereinafter provided, except that under subsection (b) hereof the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such mark is intended to be used to cause confusion or mistake or to deceive purchasers."

and the first paragraph of Section 1116 of Title 15 U. S. C. reading as follows:

"The several courts vested with jurisdiction of civil actions arising under this Act shall have power to grant injunctions, according to the principles of equity and upon such terms as the court may deem reasonable, to prevent the violation of any right of the registrant of a mark registered in the Patent Office. Any such injunction may include a provision directing the defendant to file with the court and serve on the plaintiff within thirty days after the service on the defendant of such injunction, or such extended period as the court may direct, a report in writing under oath setting forth in detail the manner and form in which the defendant has complied with the injunction. Any such injunction granted upon hearing, after notice to the defendant, by any district court of the United States, may be served on the parties against whom such injunction is granted anywhere in the United States where they may be found, and shall be operative and may be enforced by proceedings to punish for contempt, or otherwise, by the court by which such injunction was granted, or by any other United States district court in whose jurisdiction the defendant may be found."

## Questions Presented for Review.

(1) Can Everest & Jennings, Inc., a corporation, deriving its name from the surnames of its incorporators, not only use its initials "E & J" as a trademark on its own goods when accompanied by its full name and address and register the trademark in the United States Patent Office, but also use such initials accompanied by its full name and address in its "correspondence, advertising, catalogs and any other form of sales promotion"?

(2) Where plaintiff registered and is using "E & J" as a trademark for resuscitators, oxygenators and cases therefor and defendant, Everest & Jennings, Inc., is using its initials "E & J" as a trademark on invalid wheel chairs and walkers, has the enactment of the Lanham Act, particularly 15 U. S. C. Section 1114(1) had the effect of changing the law of trademark infringement making likelihood of causing "confusion or mistake or to deceive purchasers" the test of trademark infringement, or is it still the law

> "The mere fact that one person has adopted and used a trademark on his goods goes not prevent the adoption and use of the same trademark by others on articles of a different description. There is no property in a trademark apart from the business or trade in connection with which it is employed."
>
> *Amrican Steel Foundries v. Robertson,* 269 U. S. 372, 70 L. Ed. 317, 46 S. Ct. 160.

(3) Where the trial court has made no determination or finding that any "correspondence, advertising, catalogs, and any other form of sales promotion" put out by defendant has been wrongful or has been likely to cause "confusion or mistake, or to deceive purchasers" is the

Court of Appeals at liberty to enjoin defendant's use of its initials "E & J" in such "correspondence, advertising, catalog" etc. even when accompanied by its full name and street address, but at the same time determine that defendant's use of its initials "E & J" on the wheel chairs themselves when accompanied by defendant's name and address, is not likely to cause "confusion or mistake or to deceive purchasers" and that defendant therefore has "the right to register the trademark in the Patent Office as applied to invalid wheel chairs."

**Statement of Facts.**

Plaintiff, E & J Manufacturing Company, brought suit against the defendant, Everest & Jennings, Inc., for trademark infringement and unfair competition. The plaintiff claims ownership of U. S. Trademark Reg. No. 439,924, registered July 27, 1948, for the trademark "E & J" as applied to resuscitators, oxygenators, and cases therefor, claiming a first use of such trademark in 1929. The initials, "E & J" in plaintiff's trademark and in plaintiff's name were derived from the surnames of the developers of plaintiff's resuscitators, C. N. Erickson and Dr. Johnston.

Defendant, Everest & Jennings, Inc., manufactures and sells invalid wheel chairs and walkers. These were developed by Herbert A. Everest and Harry C. Jennings in 1932. These men first exploited and improved wheel chairs as a partnership, Everest & Jennings, and later caused the defendant to be incorporated under the name of Everest & Jennings, Inc., transferring the assets of the partnership to the corporation.

Without any encouragement on the part of the defendant, the wheel chair trade at a very early date during

the 1930's began referring to defendant's wheel chairs as "E & J chairs." In 1946, defendant, because of this common usage, and being fearful that wheel chair competitors might adopt and use the initials "E & J" as a trademark for wheel chairs, adopted "E-J" as a trademark. It had a rather expensive die prepared and proceeded to cast these initials on the pivoted foot plates of its chairs.

On the under sides of these foot plates which are invariably swung upwardly into vertical positions each time the invalid wheel chair is collapsed, there was also cast the full corporate name of the defendant.

Each invalid wheel chair and walker also had a metal name plate permanently riveted on the X-brace of the chair on which defendant's full corporate name and full street address was displayed, together with the serial number by which the chair could be identified.

On a side panel of the chair there was also placed a removable paper label on which was displayed a shield with an "E" in the upper left-hand corner thereof and a "J" in the lower right-hand corner. In the upper right-hand corner and lower left-hand corner of the shield there were representations of wheel chairs. Across the center of this shield there was printed "Everest & Jennings." This label was applied to facilitate distinguishing defendant's wheel chairs from competitor's wheel chairs on a dealer's display room floor.

Defendant advertised its wheel chairs in trade journals. It also published catalogs. In all of such trade journal and catalog advertising the full name and street address of the defendant boldly appeared. As typical or representative of defendant's trade journal advertising,

defendant's advertisement as it appeared on page 94A of Exhibit 39 is reproduced in the appendix hereto. As typical or representative of defendant's catalogs, the cover, page 3, the title page, and pages 11 and 36 of Defendant's Exhibit E are reproduced in the appendix.

Defendant also advertised in the yellow pages of telephone directories throughout the country usually under the heading of "Wheel Chairs." Therein, defendant's full name boldly appeared and a miniature representation of the shield above described was displayed. Defendant's street address did not appear in such yellow page advertising, but instead the names and addresses of local distributors of defendant's wheel chairs were set forth. As typical or representative of defendant's advertising in yellow page sections of telephone directories, the "Wheel Chairs" column of Defendant's Exhibit F is reproduced in the appendix.

The trial court, in its oral opinion, after reading Section 1114(1) of Title 15 U. S. C. said:

> "Confusion is not only possible, it is almost bound to occur in the future, and it has certainly occurred in the past; this without any intent on the part of the defendant-company to defraud."
>
> * * * * * * * * *
>
> "Now, the plaintiff doesn't put out the identical goods or the identical category of goods that defendant manufactures nor does defendant manufacture the exact category of goods that plaintiff manufactures. So there hasn't been any deliberate palming off, but there has been a resultant confusion as to sponsorship or manufacturer."

This "confusion" primarily comprised mis-directed mail which was promptly redirected or forwarded between the

parties since plaintiff does not manufacture wheel chairs and defendant does not manufacture or sell resuscitators or oxygenators.

The trial court entered a judgment accordingly [R. 31] ordering an injunction enjoining the defendant

> "in the manufacture, advertisement, offering for sale or sale of wheel chairs or walkers, under the trade-mark 'E & J' or any colorable imitation thereof. The defendant shall immediately circularize to his present customer list and advise them of what other name it intends to use in the marketing of its products and state that it is withdrawing from use of the trade-mark 'E-J.'"

The Court of Appeals herein acknowledged

> "No conscious design to deceive the public has been shown here, and there is no evidence that the public has been deceived even innocently."

However, it modified the decision of the trial court by stating:

> "* * * we hold that the trial court exceeded the authority granted by sections 1114 and 1116, Title 15 U. S. C. when it absolutely enjoined all use of the mark 'E-J' by defendant.
>
> "The injunction should prohibit the use by the defendant of the mark 'E & J.' or any colorable imitation thereof, including 'E-J' by defendant in connection with its correspondence, advertising, catalogs, and any other form of sales promotion, except the use by defendant of the mark 'E-J' on its invalid wheel chairs as identification of the product only, but provided, that when it is so used, the mark be accompanied by the full corporate name and address immediately next to, or incorporated in, the mark it-

> self. In view of the above limitations on the use of the mark 'E-J,' we hold that the defendant, in accordance with the provisions of section 1119, Title 15 U. S. C. A., has the right to register the trademark in the Patent Office as applied to invalid wheel chairs * * *."

Defendant should be permitted the normal and proper use of any trademark that it is allowed to use on its goods.

If defendant is to be permitted to use the trademark "E & J" or "E-J" on its invalid wheel chairs accompanied as it has been by its full name and address, and is to be entitled to register its tradmark "E-J" in the United States Patent Office, defendant should likewise be permitted to use the same initials in its correspondence under its own letterhead where its full name and address appears; should likewise be permitted to use the initials in its catalogs where its full name and address appears; should likewise be permitted to advertise these initials accompanied by its full name, and use it in this same manner in any other form of sales promotion.

## Reasons for Allowing the Writ.

An important question of Federal Law has not been, but should be decided by this court. An interpretation of what is meant by the phrase "likely to cause confusion or mistake, or to deceive purchasers" as used in Section 1114(1) of Title 15 U. S. C., is a question that has not been but should be decided by this court. Text writers have bemoaned the fact that this has not been interpreted by this court heretofore.

See:

*Trademark Infringement and Confusion of Source: Need for Supreme Court Action,* by Julius R. Lundsford, Jr., 35 Va. Law Review, 214, 229, 232;

*The Ninth Year of Administration of the Lanham Trademark Act of 1946,* page 23;

*The Tenth Year of Administration of the Lanham Trademark Act of 1946,* page 21.

*The Eleventh Year of Administration of the Lanham Trademark Act of 1946,* page 21.

The latter three are all articles by Walter J. Derenberg, published by the Bureau of National Affairs, Inc., Washington, D. C.

Involved in this case in the question of what constitutes "confusion or mistake" as used in the statute, and what is the proper, if any, remedy therefor if it is found to exist.

Here, the defendant is using the initials of its own name derived from the surnames of its incorporators as a trademark to identify its own merchandise which is of a different category from that of plaintiff. No deception of purchasers is involved for, as indicated by the Court of Appeals herein:

> "* * * There is no evidence that the public has been deceived, even innocently."

The question then arises: What interpretation is to be given to the words "confusion or mistake" as used in the statute? The Court of Appeals in its opinion herein said:

> "From that time, there were instances of money sent to the wrong party, purchase orders sent to the wrong company, convention space wrongly allocated,

magazine advertising wrongly credited, and salesmen of one company thought by customers to be salesmen of the other."

However, no one ever bought a defendant's wheel chair when he wanted a plaintiff's resuscitator. Misaddressed mail, misaddressed purchase orders and money were promptly forwarded by each party to the proper party where it belonged.

Is this the type of "confusion or mistake" contemplated by the statute? Will any confusion or any mistake of any character whatsoever not resulting in damage to plaintiff, justify an action being brought under the Lanham Act, Section 1114(1), Title 15 U. S. C.?

It has not been and cannot be shown that the elements of "confusion or mistake" above enumerated by the Court of Appeals herein are due to the fact that defendant uses its initials as a trademark on its wheel chairs accompanied as they have been by defendant's full name and address. Likewise, it has not been and cannot be shown that the elements of "confusion or mistake" are due to defendant's use of its initials in its own correspondence under its own letterhead or in "advertising, catalogs, or other forms of sales promotion" because therein defendant's full name has always boldly appeared and usually its street address. The "confusion or mistake" more probably arises from the similarity of names of the plaintiff and defendant, *i.e.*, plaintiff E & J Manufacturing Company derived from the initials of C. N. Erickson and Dr. Johnston, the developers of plaintiff's resuscitators on the one hand, and Everest & Jennings, Inc. derived from the surnames of the developers of defendant's wheel chairs on the other. Defendant has been voluntarily nicknamed by the wheel chair trade as "E & J."

Prior to the Lanham Act, this court recognized that with certain trademarks derived from surnames that confusion or mistake might exist, but still would not be actionable. Thus, in *Howe Scale Co. v. Wyckoff, Seamans & Benedict*, 198 U. S. 118:

> "Having the right to that use, courts will not interfere where the only *confusion*, if any, results from a similarity of names and not from the manner of use. The essence of the wrong in unfair competition consists in the sale of goods of one manufacturer or vendor for those of another, and if defendant so conducts its business as not to palm off its goods as those of complainant the action fails.
>
> "As observed by Mr. Justice Strong in the leading case of Canal Company v. Clark, 13 Wall. 311: 'Purchasers may be *mistaken* but they are not deceived by false representations and equity will not enjoin against telling the truth.' ". (Italics added.)

Has the enactment of the Lanham Act had the effect of rendering obsolete the body of case law of which *Howe Scale Co. v. Wyckoff et al., supra*, is the leading case?

It has been held prior to the Lanham Act that where the defendant uses his own initials on his goods as a trademark therefor that plaintiff must establish fraudulent intent and purpose. (*A. Y. McDonald & Morrison Mfg. Co. v. H. Mueller Mfg. Co.*, 183 Fed. 972, 973:

> "It was decided in Brown Chemical Company v. Meyer, 139 U. S. 540, 11 Sup. Court 625, 35 L. Ed. 246, that the burden is upon complainant to establish by clear and satisfactory proof the fraudulent intent and purpose of the defendant in arranging and using the initials of its own name so as to mislead and deceive dealers in and purchasers of, such goods."

The principle has been extended to nicknames by which one is popularly known. (*D & W Food Corporation, et al. v. Graham*, 286 P. 2d 77, 107 U. S. P. Q. 24.)

In *S. C. Johnson & Son, Inc. v. Johnson*, 116 F. 2d 427 (C. A. 2), the court found confusion to exist saying:

> "The plaintiff proved to the satisfaction of the judge that the defendant's use of the name has caused confusion among the plaintiff's customers; and we cannot say that the finding is 'clearly erroneous.' We should have so found ourselves; and indeed the testimony leaves no doubt that, while he did not actively instigate his employees to mislead customers, the defendant instructed them not to undeceive any who were already misled and to take advantage of their confusion."

In that case, defendant was not enjoined from using his surname Johnson as applied to his fabric cleaner in his correspondence, advertising, catalogs, and any other form of sales promotion" but instead, was required to add

> "in immediate juxtaposition thereto the legend 'made by Johnson Products Company, Buffalo, N. Y.'"

After the enactment of the Lanham Act the plaintiff in *S. C. Johnson & Son v. Johnson, supra*, asserted that the enactment of the Lanham Act had the effect of changing the law. (See *S. C. Johnson & Son., Inc. v. Johnson*, 175 F. 2d 176 (C. A. 2), cert. den., 338 U. S. 860.) Therein the court said that the language of the Lanham Act was not to be interpreted literally.

> "Besides, not only is this a sufficient reason for the change, but there is the strongest possible reason for not reading the language literally, because to do so would frequently result in great hardship to others

and give to the first user of a mark a wholly unjustified power to preempt new markets."

* * * * * * * *

"The case at bar is an admirable example of how unfairly a literal enforcement of the language of the new Act may operate. The plaintiff does not sell cleaning fluid; it makes waxes, and other polishes, and the defendants cannot possibly turn away from it any customers who would buy these instead of cleaning fluids."

Likewise here, defendant could not possibly fill a misaddressed purchase order for one of plaintiff's resuscitators or oxygenators.

Again, in *American Chicle Company v. Topps Chewing Gum, Inc.*, 208 F. 2d 560 (C. A. 2):

"If we were to read the statute literally such a minority would be enough for the test does not limit infringement by the number of those who may be misled. However, we do not read this statute as *tabula rasa;* we construe it in the background of the law as it stood in 1946: and that law defined the issue of infringement less literally."

Even the Court of Appeals for the Ninth Circuit from which this case arises said in *Lerner Stores Corporation v. Lerner,* 162 F. 2d 160, 73 U. S. P. Q. 524:

"The element of false advertising or other conduct designed to mislead the public or cause confusion which was controlling the cited cases, is absent here."

It should be decided by this court whether the words "confusion or mistake" as used in the statute are to be interpreted literally and as broadly as worded to make it actionable whenever any confusion or mistake arises under

any circumstances whatsoever, or whether these words are to be interpreted and construed "in the background of the law as it stood in 1946." Specifically, do "instances of money sent to the wrong party, purchase orders sent to the wrong company, convention space wrongly allocated, magazine advertising wrongly credited, and salesmen of one company thought by customers to be salesmen of the other" in no way induced by any act of defendant, constitute "confusion or mistake" contemplated in the statute? Or, do the words of the statute "confusion or mistake" contemplate some form of artifice on the part of the defendant in branding his goods with a trademark which induces purchasers of goods that they desire, to purchase defendant's goods in the belief that they were purchasing plaintiff's?

The record in this case shows that prior to plaintiff's adoption and use of the initials "E and J" that others previous thereto had adopted and had registered the same initials for a variety of different products. Furthermore, in the larger cities, such as Los Angeles, California, and Chicago, Illinois, telephone directories list a number of different concerns whose name commences with the initials "E. & J." The theory of dilution has been rejected by the Court of Appeals for the District of Columbia in *Champion Paper & Fiber Company v. National Association of Mutual Insurance Agents*, 249 F. 2d 525.

If we assume for the moment that Section 1114(1) of Title 15 is to be construed literally and as broadly as stated and that any confusion or any mistake such as "money sent to the wrong party, purchase orders sent to the wrong company, convention space wrongly allocated, magazine advertising wrongly credited, and salesmen of one company thought to be salesmen of the other" is

actionable, the question then remains, what remedy is to be applied? Section 1116 of Title 15 U. S. C. provides:

> "The several courts * * * shall have power to grant injunctions, according to the principles of equity and upon such terms as the court may deem reasonable * * *."

If we interpret this to mean that for any "confusion" or "mistake" the court can enter an injunction, such injunction must nevertheless be in conformity with equitable principles as they existed prior to 1946.

Here, the Court of Appeals proposes to perpetually enjoin defendant's use of its own initials in any form whatsoever in all

> "correspondence, advertising, catalogs, and any other form of sales promotion"

although defendant is allowed to use the initials on the wheel chairs themselves accompanied by defendant's full name and address. Carried to an extreme, this would prohibit defendant from photographically showing any of its wheel chairs in its advertising if the photographs showed the initials on the chairs accompanied by defendant's name and address as expressly permitted by the Court of Appeals' opinion. See for example page 36 of defendant's catalog, Exhibit E, reproduced in the appendix hereto where defendant's initials appear in the illustrations of the foot rests for defendant's chairs.

To prohibit defendant from pictorially illustrating in its advertising and on its catalogs its wheel chairs exactly as they legitimately appear is not according to any principle

of equity. On the contrary, this court said in *Singer Manufacturing Company v. June Manufacturing Co.*, 163 U. S. 169, 200:

> "This leaves only two questions, first, whether the name as used in the circulars and advertisements of the defendant is accompanied with such plain information as to the source of manufacture of the machines by them made as to make these circulars and advertisement lawful; and second, whether this also is the case with the use of the word 'Singer' on the machines which the defendant makes and sells. As to the first of these inquiries, the proof shows that the circulars are so drawn as to adequately indicate to anyone in whose hands they may have come that the machines therein referred to are made by the June Manufacturing Company and not by the Singer Company. We therefore dismiss the circulars from view * * *."

This court also said in *Herring-Hall-Marvin Safe Co. v. Hall's Safe Co.*, 208 U. S. 554, 560:

> "We are not disposed to make a decree against the Halls personally. That against the company should be more specific. It should forbid the use of the name Hall either alone or in combination, in corporate name on safes or in advertisements unless accompanied by information that the defendant is not the original Hall's Safe & Lock Company or its successor, or as the case may be, that the article is not the product of the last-named company or its successors. With such explanations the defendants may use the Hall's name and if it likes, may show that they are the sons of the first Hall and brought up in their business by him and otherwise may state the facts."

Again this court said in *Donnell v. Herring-Hall-Marvin Safe Company*, 208 U. S. 267, 274:

> "A further argument was based on the confusion produced by the petitioner through his use of signs and advertisements calculated to make the public think that his concern was the successor of the first corporation and otherwise to mislead. This confusion must be stopped so far as it has not been by the decree in force, and it will be. But it is no sufficient reason for taking from the Hall's the right to continue the business to which they were bred and to use their own name in doing so. An injunction against using any name, mark or advertisement indicating that the plaintiff is the successor of the original company, or that its goods are the product of that company, or its successors or interfering with the good will bought from it, will protect the right of the Herring-Hall-Marvin Company and is all that it is entitled to demand."

In the present case, the defendant in its correspondence, its advertising, its catalogs and in other forms of sales promotion has been conscientious and careful to boldly explain that it is the manufacturer and distributor of invalid wheel chairs and walkers identified or referred to by its own initials "E & J." Section 1116 of Title 15 U. S. C. by requiring the court to enter an injunction in accordance with principles of equity, does not authorize the court to penalize defendant from such honest and fair use of its own initials in its "correspondence, advertising, catalogs, and other forms of sales promotion" merely because there may have been "instances of money sent to the wrong party, purchase orders sent to the wrong company, convention space wrongly allocated, magazine advertising wrongly credited, and salesmen of one company thought by customers to be salesmen of the other."

The granting of a writ of certiorari to the Court of Appeals for the Ninth Circuit is accordingly respectfully requested.

Respectfully submitted,

FRED H. MILLER,

*Attorney for Petitioner, Everest & Jennings, Inc.*

*Of Counsel:*

ALLAN D. MOCKABEE.

State of California, County of Los Angeles—ss.

FRED H. MILLER, being first duly sworn, deposes and says, that he is the attorney for the petitioner named in the foregoing Petition for Writ of Certiorari; that he has read the foregoing Petition for Writ of Certiorari and knows the contents thereof; and that the same is true of his own knowledge except as to the matters which are therein stated upon his information or belief, and as to those matters, that he believes them to be true.

FRED H. MILLER.

*Attorney for Petitioner.*

Subscribed and sworn to before me, this 20th day of April, 1959.

HELEN WEIGHTMAN,

*Notary Public in and for the above County and State.*

## APPENDIX.

### Oral Opinion.

The Court: It seems to the court the controlling statute here is Section 1114 of Title 15, which provides in part:

> "Any person who shall, in commerce use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of any registered mark in connection with the sale, offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion of goods or services;"

and so on, and then it goes on for about half a page as to what can be done in such a situation.

The evidence in this case establishes, I think, quite well that you have two companies, plaintiff and defendant companies, which were commenced or, at least, their predecessors to the present form, doing business with persons the initials of whom were in each instance "E" and "J." These companies started out using those names, Everest & Jennings in the case of the defendant, and I forget what the name was on the plaintiff's side, but it also was an "E" and "J" combination, spontaneously, probably without any knowledge by one that the other existed. And while there were certain areas of trade in which one would sell and the other would not, those were narrowed considerably by the fact that, I think, the greater volume of sales tended to be to either hospitals or to concerns which handled both the plaintiff's type of goods and the defendant's type of goods.

Now, you do not have in this case what is quite common in cases of this character, that is, one will tend to dis-

courage the other because one is of a lower quality and the one of higher quality would not want to have his prime quality goods identified with that of the other. These people seem in each instance, to have sold and offered for sale only very high quality merchandise.

But there is the large areas of sales or reservoir from which sales are made which are common to both companies. Confusion is not only possible, it is almost bound to occur in the future; and it has certainly occurred in the past; this without any intent on the part of the defendant company to defraud.

I think the use of the word "defraud" in arguments in these cases is often used where actually there is no such intent at all. It is a little unfair to say that it is implied in the law because all we have here is the unwarranted, unlicensed use of a registered mark on goods of sufficient similarity as to suggest a common source of origin when they are put out under the same name.

The plaintiff's case is a good case insofar as the right to injunction is concerned, but only as to "E & J." The name of the defendant, "Everest & Jennings," is not deemed by this court to be an infringement of the trademark "E & J." But "E-J" is an infringement of the plaintiff's mark.

Now, the plaintiff doesn't put out the identical goods or the identical category of goods that defendant manufactures nor does defendant manufacture the exact category of goods that plaintiff manufactures. So there hasn't been any deliberate palming off, but there has been a resultant confusion as to sponsorship or manufacturer. There is no basis for damages.

The plaintiff has not shown any damages. These parties recognized there was some confusion and under-

took to take some action toward destroying the confusion, but they didn't completely succeed in that. The efforts that they made along that line did not result in any contract. What has been claimed to be a contract is just not a contract as measured against the fundamental requirements that there be consideration and even there there is no absolute meeting of minds upon what was to be done.

So on the second cause of action the plaintiff shall fail, and as to the prayer for damages the plaintiff has not made out a case, but the plaintiff has made out a case for injunction.

The plaintiff may prepare findings of fact and judgment. Keeping what has just been stated in mind, the court would not consider it inappropriate for the defendant to circularize its present customer list and advise them of whatever name it intends to use in the marketing of its wheel chairs, and say that it is withdrawing from the use of the "E and J." Their new name might be Everest & Jennings, which originally was their name, or it might be something else, but it cannot continue to be "E" and "J" on wheel chairs.

Mr. Miller: Will the court hear me?

The Court: I have decided the case.

Mr. Miller: I appreciate that. What I was curious about is this: Here you have a situation where the trade has been knowing a product—the name of the product itself, "E and J"—since the '30's. Now what are we to do when we get an order for "E and J chairs," so designated?

The Court: Fill it. The plaintiff doesn't sell such chairs. There has to be a transition period here to whatever new name you are going to take. I am looking

in this judgment to the prevention of future confusion, rather than trying to find some ephemeral basis. There is nothing here to support damages. It is just not a case for damages. It is a case to work out a confusion as fast as you can.

You certainly are not obligated to turn an order for a wheel chair over to a manufacturer of another type of hospital supply.

Mr. Miller: Should we refuse it and say, "We are sorry, we can't sell you a wheel chair under the name 'E and J.' If you will put in a new order for an Everest & Jennings wheel chair, we will be glad to fill it"?

The Court: That is not contemplated in what I have stated, and if Mr. Lyon submits such a judgment, that provides such a thing, the court will not sign it.

Mr. Miller: I can appreciate that will happen and may happen for a long period to come in the future, because of the nickname from way back in the '30's.

I am concerned about, if we are to be enjoined, should an order come in and we filled—the order is for "E & J" —are we in contempt?

The Court: You are not in contempt. You are entitled to fill it because your product has been known by that. This has been kind of a spontaneous, unintended infringement, and I think you have tried to get into some circumstance which would not amount to infringement, but, unfortunately, from the economic standpoint for it, it just does involve infringement of a prior registered mark.

It started out unintentionally and you have a goodwill in that mark, or in the name of "Everest & Jennings," which has been shortened by common usage; the tendency of salesmen to use the short form of expression

rather than the full name, the tendency to abbreviate everything, which is common and sometimes a plague to our time.

You have got a bit of goodwill for "Everest & Jennings," sometimes known as "E and J," and as long as they are not trying to buy resuscitators or anesthesia equipment, oxygenators or cases therefor, I should say go ahead and sell them. If the plaintiff complains he will probably get stuck for his costs.

Mr. Miller; That was my immediate concern here. As to the extent of—

The Court: Your people will have to work out of it so that in time—the customer memory is not long-lived—no one will think of your chairs as "E and J chairs."

Mr. Miller: Well, I just wonder about that, when the trade themselves began speaking of them. They nicknamed the chairs.

The Court: Well, draw the judgment, Mr. Lyon, and try to realize there is another side to it.

## Opinion of the United States Court of Appeals for the Ninth Circuit

United States Court of Appeals for the Ninth Circuit.

Everest & Jennings, Inc., a corporation, Appellant, vs. E & J Manufacturing Company, a corporation, Appellee.

E & J Manufacturing Company, a corporation, Appellant vs. Everest & Jennings, Inc., a corporation, Appellee. No. 15,922.

Dec. 24, 1958.

Appeal from the United States District Court for the Southern District of California, Central Division.

Before: BARNES, HAMLEY and JERTBERG, Circuit Judges.

JERTBERG, Circuit Judge:

There are cross appeals before us in this case. Everest & Jennings, Inc., a corporation—defendamt below and appellant and cross-appellee here—appealed from the judgment of the court below holding that E & J Manufacturing Company, a corporation—plaintiff below and appellee and cross-appellant here—was the owner of the trade-mark "E & J"; that the trade-mark was good and valid in law; and was infringed by the use of the trade-mark "E-J". The court enjoined the defendant from further infringement, and refused to order registration of "E-J" as a trade mark of the defendant to be applied on wheel chairs.

The district court further held that the infringement by the defendant was done without intent to infringe; that there was no contract between the parties; and that no damages should be awarded to plaintiff. From such holdings of the court below the plaintiff appealed to this Court.

We will continue to refer to E & J Manufacturing Company, a corporation, plaintiff below, as the plaintiff, and Everest & Jennings, Inc., a corporation, defendant below, as the defendant, regardless of designations on appeal.

Plaintiff E & J Manufacturing Company is a California corporation, which was incorporated in 1945. This corporation has manufactured and sold resuscitators and other gas administering devices under the trade-mark "E & J" since its incorporation. The initials "E and J" of the plaintiff's trade-mark were derived from the initials of the developers of resuscitators, C. N. Erickson and Dr. Johnston. The initials, either alone or as "E & J Manufacturing Company," were used as a trade-mark by the sole proprietorship owned by Mr. Erickson from 1929. In 1945 Mr. Erickson disposed of his business, including the trade-mark, to Don Baxter, Inc., which corporation conveyed such business, including the mark, to the plaintiff.

Plaintiff registered the trade-mark "E & J" in the United States Patent Office on July 27, 1948, for use on "resuscitators, oxygenators and cases especially designed and adapted to ship and carry said resuscitators and oxygenators in class 44, dental, medical and surgical appliances."[1]

Defendant Everest & Jennings, Inc. is the manufacturer of wheel chairs for invalids, with its principal place of business within approximately 15 miles of the main office of plaintiff. Its business was originally started in 1932 by Herbert A. Everest and Harry C. Jennings, as co-partners. Later the partners formed the corporation, and the assets of the partnership were transferred to the corporation. In 1943 Everest sold out his entire interest

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[1]United States Patent Office trade-mark number 439 924.

in the corporation; Jennings is still active in the corporation but only in an advisory capacity, and his son, Gerald M. Jennings, is now the president.

Shortly after defendant began marketing its chairs and, apparently without any encouragement by the company, its customers began to refer to the company's product as "E and J chairs". With the advent of World War II, the designation became even more popular, particularly among injured servicemen who were using the wheel chairs. Finally, in 1946, because of the widespread use of the term "E and J" defendant adopted the initials "E-J" as a trade-mark. At that time a rather expensive die was produced to cast the initials "E-J" on the metal foot pads of the chair, as a means of readily identifying the wheel chair as being of the defendant's manufacture and standard of quality. In addition to the initials "E-J", each foot pad also carried on the underside the full and complete name "Everest & Jennings". Whenever the initials "E-J" were used on the chairs there was also a name plate on the cross brace of the chair bearing the name of the defendant in full, the street address of the defendant, and the serial number by which the chair could be identified.

In March 1952, defendant filed an application to register the trade-mark "E-J" as applied to invalid chairs with the United States Patent Office. The application was allowed by the examiner and publication ordered and made in the Patent Office Official Gazette. Plaintiff instituted an opposition proceeding, which was sustained by the examiner of interferences. An appeal from this decision by defendant has been stayed pending the outcome of these proceedings.

Plaintiff manufactures resuscitators, gas anesthetic machines, oxygenators, and other similar products under the

name "E & J" and sells these products throughout the world to hospitals, governmental agencies such as fire departments, police departments, or other organizations concerned with rescue and first aid. In addition, these products are sold to various large heavy industrial concerns where there is a need to administer first aid and artificial respiration.

Plaintiff's products are normally purchased by persons in the medical profession or upon their advice, even when the items are purchased by a fire or police department. Their products sell for prices ranging from $350.00 to $420.00, and usually only after a demonstration by a competent demonstrator. On the other hand, defendant's invalid wheel chairs are sold at a much lower average figure and to the general public, rental businesses, and to hospitals and other public institutions, usually without an approval by a medical doctor.

Apparently for a long period of time neither of the parties in this litigation, nor their predecessors, were aware of the other's existence. One of the plaintiff's employees, since 1928, testified that he was not aware of defendant until 1945; and another employee, from 1933 to 1953, testified he did not hear of the defendant or its predecessor until 1946. Prior to 1949, there had been some mis-addressed mail and purchase orders sent to the wrong address of plaintiff or defendant. Whenever this occurred, the mail was merely forwarded on to the proper party, as neither one was competing with the other in the sale of the same products. Finally, in October 1949, a trade publication in commending a new development by plaintiff credited the device to defendant. Shortly after this magazine was published, the president of defendant contacted plaintiff for the purpose of seeing what could

be done to eliminate the confusion. Following the suggestion of the defendant's official, two meetings were held between the parties. The result was that defendant continued to use the mark "E-J" on its wheel chairs, but deleted the use of "E-J" from its advertising, promotional literature, and from its correspondence, in the hope that this would reduce or eliminate mis-addressed mail and orders. Thereafter, both parties noticed a decline in the incidence of confusion, particularly as to mis-addressed envelopes and orders. However, there continued to be some mis-addressed mail during this period.

In December, 1952, defendant resumed using the initials, "E-J" but always with the reference to Everest & Jennings, Inc. in close proximity to the initials, either within the shield used as the trade-mark, or printed somewhere on the wheel chair itself close to the initials. From that time, there were instances of money sent to the wrong party, purchase orders sent to the wrong company, convention space wrongly allocated, magazine advertising wrongly credited, and salesmen of one company thought by customers to be salesmen of the other. This resulted in the present litigation.

Before proceeding with the discussion of the points raised on this appeal, it should be pointed out that defendant in its statement of points to be relied upon on appeal has cited some 26 specifications of error, numbered I to XXVI. In its brief are set out and argued only those errors numbered XI to XVIII. Rule 18(2)(d) of this Court requires that "in all cases" a brief shall contain "a specification of errors relied upon which shall be numbered and set out separately and particularly each error intended to be urged." Failure to comply with this rule relieves this Court of considering the omitted errors, even if the errors are set forth elsewhere in the record.

Peck v. Shell Oil Company (1944), 9 Cir., 142 F. 2d 141. Therefore we will deal only with the specifications set forth in the brief.

Appeal of Everest & Jennings, Inc., a corporation

The specifications of error set forth in the defendant's brief center around the claimed error that, as stated in defendant's brief, "The conclusion reached by the Trial Court disregards the principle of law that anyone is entitled to use his own name on his products or any abbreviation thereof by which he is popularly known, and as long as he does so reasonably and honestly, it is immaterial whether some portion of the trade or public are confused or mistaken as long as they are not deceived."

A subsidiary point raised by the defendant is that the trial court erred in receiving in evidence as proof of confusion resulting from defendant's use of the initials "E-J" on its products mis-addressed letters and mis-addressed purchase orders without proper authentication.

By its judgment the trial court determined that the plaintiff was the owner of a trade-mark entitled to protection; that the defendant had infringed such trade-mark; that the defendant be enjoined from using in the manufacture, advertisements, offering for sale, or sale of wheel chairs or walkers under the trade-mark "E & J" or any colorable imitation thereof. The judgment further requires that defendant circularize its present customer list and advise what other name defendant intends to use in the marketing of its products, and stating that it is withdrawing from the use of the trademark "E-J". The trial court further dismissed the defendant's counter-claim in which it sought the right to use the trade-mark "E-J" as applied to invalid wheel chairs, and the right to register the same in the U. S. Patent Office as applied to said goods.

It is the position of defendant that the federal trade-mark laws do not prevent a person or corporation from honestly and fairly using his or its own name or abbreviation thereof on his or its own goods. Defendant claims that, therefore, it is entitled to use the trade-mark "E-J" without restraint. This contention is without merit. Whatever rights a person may have to use his own name are not relevant here. Everest & Jennings, Inc. is an arbitrary name selected as the name of a corporation and, as such corporation, is not entitled to the same equitable considerations as an individual using his own name. When the use of a corporate name, even if done honestly, will and does lead to confusion as to the source of such corporation's goods with those of a prior user whose mark has acquired a secondary meaning, there has been no hesitation by the courts in requiring the second user to take reasonable precautions to prevent the confusion.[2] And the second user can be enjoined entirely from using its infringing name, even in the absence of deliberate bad faith in the selection of the name, upon the showing of sufficient confusion.[3] Corporate initials should fare no better than corporate names under the same circumstances. The mere fact a corporation is using the name of one of its shareholders does not confer the same rights the shareholder might have to the use of his own name.[4] The fact

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[2]L.E. Waterman Co. v. Modern Pen Co., (1914), 235 U. S. 88, 35 Supreme Court 91, 59 Law. Ed. 142; Herring-Hall-Marvin Safe Co. v. Hall's Safe Co., (1908), 208 U. S. 554, 28 Supreme Court 350, 52 Law. Ed. 616; Lane Bryant, Inc. v. Maternity Lane, Ltd. of California, (1949), 9 Cir., 173 F. 2d 559.

[3]Brooks Bros. v. Brooks Clothing of Calif., (1945), DC Cal., 60 F. Supp. 442; affirmed: Brooks Clothing of Calif. v. Brooks Bros., (1947), 9 Cir., 158 F. 2d 798, certiorari denied 331 U. S. 824.

[4]National Distillery Co. v. Century Liquor & Cigar Co., (1910), 6 Cir., 183 F. 206; Ford Motor Co. v. Ford Insecticide Corp., (1947), DC Mich., 69 F. Supp. 935.

that the defendant's corporate name includes the name Jennings, which is the name of a shareholder and an officer in the corporation, is without significance in this case.

With respect to defendant's contention that the trial court erred in receiving into evidence as proof of confusion mis-addressed letters and mis-addressed purchase orders without proper authentication, the defendant states only that such evidence is "of dubious evidentiary value in attempting to establish 'confusion or mistake or deceit of purchasers.'" . . . In none of the authorities cited by the defendant was the mis-addressed mail actually excluded by the trial court. To admit evidence of "dubious value" is not error.

Our main problem on the defendant's appeal is the breadth of the injunction issued by the trial court. The trade-mark of plaintiff "E & J" consists of the initials of two words contained in plaintiff's corporate name. The mark may be said to be descriptive of the corporation and when it is used to identify its product the mark is descriptive of the source of such product. The trade-mark is not fanciful or technical. The trade-mark is entitled to protection only if it has acquired a secondary meaning and has come to indicate that the products in connection with which it is used are the products manufactured by the plaintiff corporation.[5] The finding of the trial court that the plaintiff "and its predecessor in interest has for many years built up and enjoyed an extensive and profitable business in the manufacture and sale of resuscitators, oxygenators and cases therefor with the trade-mark 'E & J' applied thereto, and when applied to

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[5]Armstrong Paint & Varnish Works v. Nu-Enamel Corp., (1938), 305 U. S. 315, 59 S. Ct. 191, 83 Law. Ed. 195; Grove Laboratories v. Brewer & Co., (1939), 1 Cir., 103 F. 2d 175; Household Finance Corp. v. Federal Finance Corp., (1952), DC Ariz., 105 F. Supp. 164.

such goods the trade-mark 'E & J' has become widely known throughout the United States as designating the E & J Manufacturing Company as the manufacturer of said goods," is amply supported by the evidence, as is the finding that "the trade-mark 'E & J' is widely known and respected in the hospital supply field as designating the products of the plaintiff."

The trial court held that the protection to which the plaintiff was entitled should be by reason of the trade-mark registration under the federal trade-mark laws, and not because of unfair competition involving the mark. This protection is provided for under the Lanham Trade-mark Act of 1946,[6] which provides at 15 U. S. C. A. 1114 that:

> "Any person who shall, in commerce (a) use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of any registered mark in connection with the sale, offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake or to deceive purchasers as to the source or origin of such goods or services, . . . shall be liable to a civil action by the registrant. . . ."

The trial court held that the use of the trade-mark "E-J" by defendant on wheel chairs has resulted in actual confusion to customers as to the origin of goods sold with the trade-mark "E-J" applied thereon. The record reveals that for the three-year period that the defendant's mark "E-J" was deleted from its advertising, letterheads and catalogs, and when the mark was used only on the

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[6]Act of July 5, 1946, 60 Stat. 47, incorporated in 15 USCA Sections 1051-1127.

wheel chairs themselves to identify them as a product of the defendant, there was no confusion, although there was some evidence of an occasional mis-directed letter. The likelihood of confusion or mistake required by 15 U. S. C. A. 1114 must be demonstrated by more than merely an occasional mis-directed letter. The showing of a mere trace of confusion is insufficient.[7] The trial court was justified under the evidence in enjoining the defendant from the use of the mark "E-J" in its advertising, correspondence and catalogs. There is not sufficient evidence, however, to support a finding of the likelihood of confusion in the use of "E-J" on the defendant's wheel chairs as identification of the product only when such use is accompanied by the full corporate name and address immediately next to the mark.

In determining the extent of the injunction under circumstances of this case, the element of confusion is not the only matter to be considered. The right to an all-inclusive injunction barring all use of the mark is not absolute where the mark is not fanciful and strong, but as in this case is descriptive, weak, and dependent on the showing of a secondary meaning for protection.[8] The extent of its injunctive protection is governed by section

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[7]Sunbeam Lighting Co. v. Sunbeam Corp., (1950), 9 Cir., 183 F. 2d 969; S.C. Johnson & Sons, Inc. v. Johnson, (1949), 2 Cir. 175 F. 2d 176, certiorari denied at 338 U. S. 860.

[8]Stork Restaurant v. Sahati, (1945), 9 Cir., 166 F. 2d 348; Sunbeam Lighting Co. v. Sunbeam Corp., (1950), 9 Cir., 183 F. 2d 969; Sunbeam Furniture Corp. v. Sunbeam Corp., (1951), 9 Cir., 191 F. 2d 141; Arrow Distilleries v. Globe Brewing Co., (1941), 4 Cir., 117 F. 2d 347; Philco Corp. v. F.B. Mfg. Co., (1948), 7 Cir., 170 F. 2d 958; 3 Callman, The Law of Trade-Marks (2d Ed., 1950) 986-988; Handler & Pickett, Trade-Marks and Trade Names —An Analysis and Synthesis (1930), 30 Columbia Law Review 168; Restatement of Torts, Sections 715 and 716.

1116, Title 15 U. S. C. A. The first sentence of that section provides, "The several courts vested with jurisdiction of civil actions arising under this chapter shall have power to grant injunctions, according to the principles of equity and upon such terms as the court may deem reasonable, to prevent the violation of any right of the registrant of a mark registered in the Patent Office." Under this section, the extent of a weak mark's protection depends upon a balancing of the equities as between the registrant and the second user. The E & J mark has been used only in connection with the plaintiff's resuscitators and its similar products. Its registration in the U. S. Patent Office refers only to this use. on the other hand, the record shows that, although there was no encouragement on the part of the defendant, its wheel chairs, a product which plaintiff does not produce, over a long period of years have become known as "E and J chairs." This phrase became synonymous in the minds of defendant's customers and throughout the trade as representing Everest & Jennings' wheel chairs, and that company's standard of quality. Only after this acceptance occurred did defendant adopt the "E-J" mark. This was done apparently without any knowledge of the existence of plaintiff or its mark, let alone with any desire on the part of defendant to trade on the reputation of the plaintiff, or to pass its wheelchairs off as those of plaintiff. No conscious design to deceive the public has been shown here, and there is no evidence that the public has been deceived even innocently.

Under 15 U. S. C. 1116, the court cannot disregard these equitable considerations and grant to a weak mark an absolute monopoly to which it is not entitled and prevent a use which is innocent and has not caused confusion.

nor is likely to do so. In light of the extent and nature of the confusion as revealed by the record in this case, and upon a balancing of the equitable considerations which are likewise revealed by the record, we hold that the trial court exceeded the authority granted by sections 1114 and 1116, Title 15 U. S. C. (when it absolutely enjoined all use of the mark "E-J" by defendant.

The injunction should prohibit the use by the defendant of the mark "E & J", or any colorable imitation thereof, including "E-J" by defendant in connection with its correspondence, advertising, catalogs and any other form of sales promotion, except the use by defendant of the mark "E-J" on its invalid wheel chairs as identification of the product only, but provided, that when it is so used, the mark be accompanied by the full corporate name and address immediately next to, or incorporated in, the mark itself. In view of the above limitations on the use of the mark "E-J", we hold that the defendant, in accordance with the provisions of section 1119, Title 15 U. S. C. A., has the right to register the trademark in the Patent Office as applied to invalid wheel chairs, and is entitled to a decree to that effect to be certified to the Commissioner of Patents for appropriate action. We further hold that the judgment of the trial court should be modified by eliminating the requirement that the defendant immediately advise its present customers of what name it intends to use to replace "E-J".

Appeal of Plaintiff, E & J Manufacturing Company.

We turn now to the appeal of plaintiff, E & J Manufacturing Company. Defendant claims that it should not be considered because plaintiff failed to comply with Rule

18[9] of this Court, which requires an appellant to serve and file his opening brief within 30 days after the clerk of this court has mailed to him copies of the printed record. Since plaintiff filed and served its appellant's brief with its appellee's brief, within the time prescribed for an appellee's brief but after the time prescribed for an appellant's brief, defendant urges the appellant's cross-appeal should be considered untimely. We agree that plaintiff is not in compliance with the clear meaning of Rule 18, which makes no distinction between an appellant and a cross-appellant. Clearly, a cross-appellant is required to file his opening brief concerning those parts of the trial court's decision from which he is appealing within the same time as an appellant. Any other interpretation could lead to unnecessary delay or could penalize the other party as to the time in which he must file his reply. However, here defendant sought no extension of time in which to answer plaintiff's opening brief, and does not claim it has been prejudiced in any way by the late filing. Therefore, we will consider the points raised by plaintiff in its cross-appeal.[10]

Plaintiff's first specification of error concerns the finding of the trial court that there was no contract binding defendamt to cease and desist from further use of the trade-mark "E & J" or its imitations. It has been long the law that actions brought to enforce contracts

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[9]Rule 18. Briefs—1. Counsel for the appellant shall file with the clerk of this court 20 copies of a printed brief, and serve upon counsel for the appellee three copies thereof, within 30 days after the clerk has mailed to him copies of the printed record. * * * 3. Counsel for an appellee shall file with the clerk 20 copies of a printed brief, and serve upon counsel for the appellant three copies thereof, within 30 days after receipt of copies of the appellant brief. * * *

[10]McGrath v. Nolan, (1936), 9 Cir., 83 F. 2d 746.

of which a patent is the subject matter must, in the absence of diversity of citizenship, be brought in the state court.[11] This is the interpretation placed upon 28 U. S. C. A. 1338[12] and its predecessors when applied to patents. The same reasoning applies to the construction of this section when trade-marks are involved, since this section deals equally with patents and trade-marks. In this case, plaintiff's rights under the alleged contract could not depend upon any Act of Congress relating to trade-mark law, nor is there diversity of citizenship as to the parties. Therefore, the contract should not have been considered by the trial court, and we have no jurisdiction to consider it here.

Plaintiff also contends that the trial court erred in failing to find that defendant's use of the trade-mark "E-J" constituted unfair competition entitling it to damages. Under 15 U. S. C. A. 1114(1), a registrant such as plaintiff "shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such mark is intended to be used to cause confusion or mistake or to deceive purchasers." To come within the language of this section, the registrant must show not

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[11]Wilson v. Sanford, (1850), 10 How. 99, 13 Law. Ed. 344; Luckett v. Delpack, Inc., (1926), 270 U. S. 496, 46 S. Ct. 397, 70 Law. Ed. 703; Vanderveer v. Erie Malleable Iron Co., (1936), 3 Cir., 238 F. 2d 510.

[12]Sec. 1338. Patents, copyrights, trade-marks, and unfair competition

(a) The district courts shall have original jurisdiction of any civil action arising from any Act of Congress relating to patents, copyrights and trade-marks. Such jurisdiction shall be exclusive of the courts of the states in patent and copyright cases.

(b) The district courts shall have original jurisdiction of any civil action asserting a claim of unfair competition when joined with a substantial and related claim under the copyright, patent or trademark laws. June 25, 1948, c. 646, 62 Stat. 931.

only that the infringer infringed, but that he did so with the deliberate intent to cause confusion, mistake ot to deceive purchasers, in other words, to purposely palm off the infringer's goods as those of the infringed.[13] The trial court in substance, found that the defendant adopted its trade-mark in good faith, without knowledge of the use by plaintiff of a similar trade-mark and without any intent to infringe or deliberately palm off its goods as those of the plaintiff. Such findings of the trial court find ample support in the record.

The judgment and decree of the trial court shall be modified in the particulars expressed in this opinion and the cause is remanded to the trial court for further proceedings not inconsistent with the views herein expressed.

(Endorsed:) Opinion. Filed Dec. 24, 1958.

PAUL P. O'BRIEN,
Clerk.

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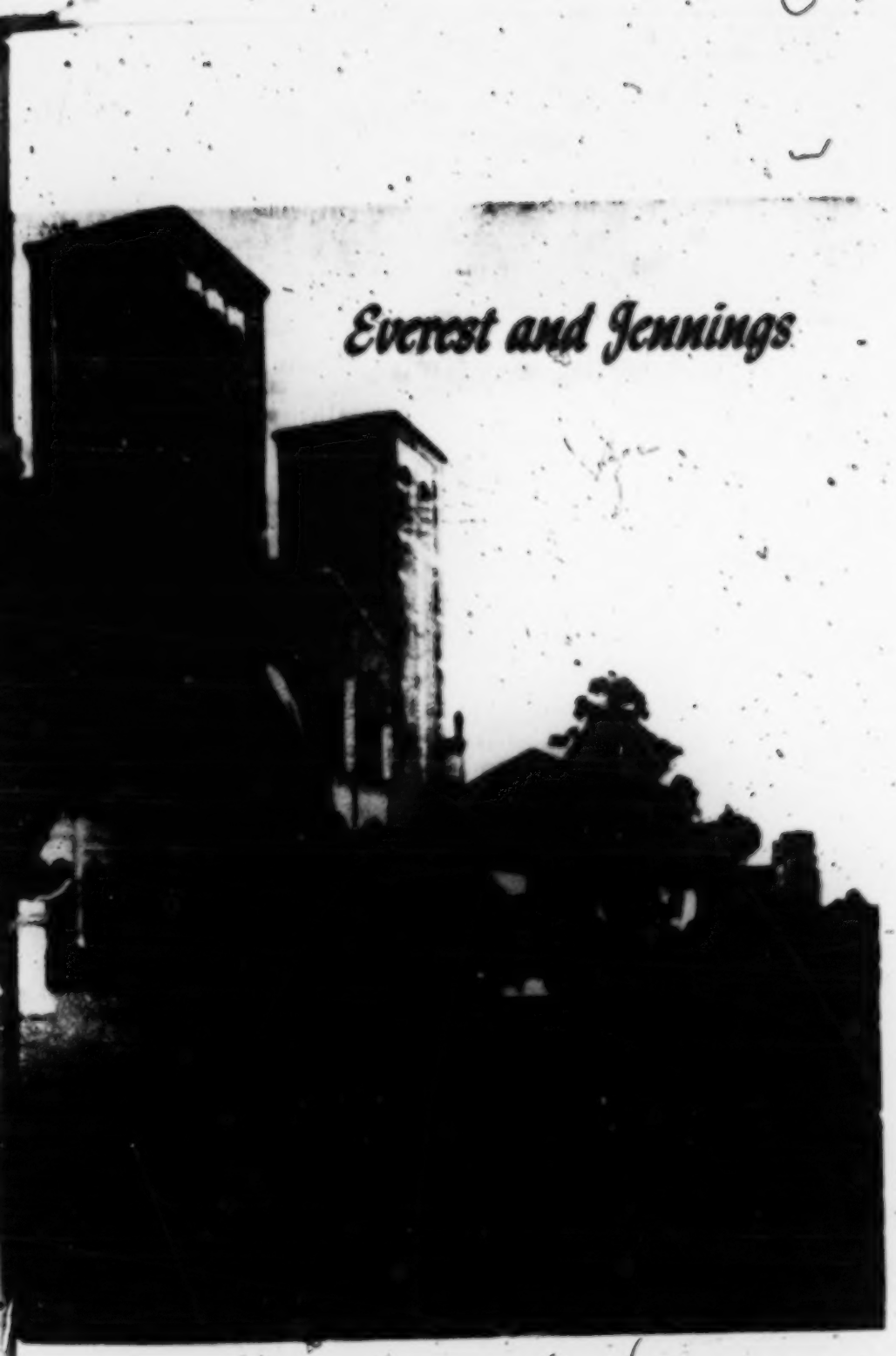
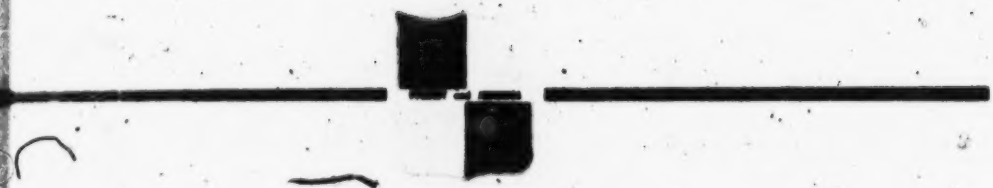
[13]Straus v. Notaseme Hosiery Co., (1916), 240 U. S. 179, 36 S. Ct. 288, 60 Law. Ed. 590; Champion Spark Plug Co. v. Sanders, (1946), 2 Cir., 156 F. 2d 488, affirmed (1947), 331 U. S. 125, 67 S. Ct. 1136, 91 Law. Ed. 1386; McCormick & Co. Inc. v. Manischewitz Co., (1953), 6 Cir., 206 F. 2d 744.

See also: Golden West Brewing Co. v. Milonas & Sons, (1939), 9 Cir., 104 F. 2d 880; National Van Lines v. Dean, (1956), 9 Cir., 237 F. 2d 688.


Everest and Jennings



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The hammock type construction of the wide seat and restful back assures a degree of comfort not obtainable from unyielding surfaces. This construction also serves to absorb shocks . . . The patented "knee action" of the single cross brace under the seat gives easier, safer riding over uneven surfaces and contributes to the long life of the chair.

EVEREST and JENNINGS chairs can be used as walking exercisers because the footrests fold up to the sides . . . leaving free access to the front edge of the seat. The space in front and under the chair is entirely clear. Chairs can be used for light exercise of the feet and legs where the user's condition permits. No other chair offers such undreamed of freedom. . .

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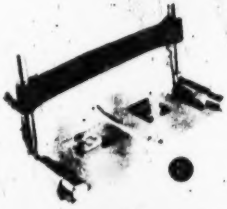

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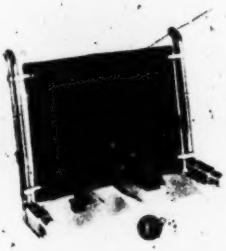
Die cast corrugated aluminum footrests allow 2½" more surface forward for support of the entire foot. Depth other than 8½" will be made of wood with rubber mat. No. 2 Footrests are standard equipment with Elevating Legrests.

**B NO. 3 FOOTRESTS** Catalog No. 50-486 Right 50-487 Left

Die cast corrugated aluminum footrests allow 2½" more surface rearward for support of the entire foot. Outside corner of trailing edge is cut to allow 5" caster to turn. For use only on the Universal Model with 5" casters. Depth other than 8½" will be made of wood with rubber mat.



**C BOLT-ON ELEVATING LEGRESTS** Catalog No. 7141

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